

THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS





“Our use of new technologies produces ever-increasing efficiencies.”

ATF’s complex tax collecting, regulatory, and enforcement missions are interwoven. Historically, the Bureau’s budget displayed criminal and regulatory enforcement activities in the four major programs of alcohol, tobacco, firearms, and explosives. However, during FY 1996, ATF reviewed the criminal and regulatory budget activities and developed a new structure that reflects the Bureau’s strategic plan and is more consistent with the Bureau’s mission. The new budget activities, *Reduce Violent Crime*, *Collect Revenue*, and *Protect the Public* were incorporated into the Bureau’s FY 1998 budget request.

Before reviewing the following program discussion, it is important to understand that for much of FY 1996, a large portion of the ATF special agent cadre was diverted from investigative activity to other important duties, such as enhancement of security for the Summer Olympic Games and protection for the Presidential campaign.



REDUCE VIOLENT CRIME

Recognizing the prominent role of firearms, explosives, and arson in violent crimes, ATF—with primary enforcement jurisdiction for Federal firearms, explosives, and arson laws—enforces provisions of the Gun Control Act of 1968, the National Firearms Act, the Brady Law, and the Violent Crime Control and Law Enforcement Act of 1994 to combat these types of crimes. Because many Federal laws contain provisions for mandatory extended sentences, ATF strives to increase state and local awareness of available Federal prosecution under these statutes. To accomplish all of this, ATF pursues an integrated enforcement strategy through three major programs supporting the *Reduce Violent Crime* activity: Deny Criminals Access to Firearms, Safeguard the Public from Bombing and Arson, and Imprison Violent Offenders. Each of these programs supports projects detailed in the following discussion.

DENY CRIMINALS ACCESS TO FIREARMS

The program Deny Criminals Access to Firearms, identifies and deters the sources of and participation in illegal firearms trafficking.

ILLEGAL FIREARMS TRAFFICKING

ATF reduces the availability of “black market” firearms to criminals by identifying illicit sources of firearms and incarcerating illegal firearms traffickers. Overall goals include recommending illegal firearms traffickers for prosecution, preventing future firearms crimes, and reducing crime-associated costs by incarcerating illegal firearms traffickers. In FY 1996, ATF implemented a nationwide illegal firearms trafficking strategy, accomplished by:

- designating Firearms Trafficking Coordinators in every criminal enforcement field division and regulatory field district;
- providing a three-step training program for special agents and inspectors that focused on ATF’s unique assets, such as Project LEAD and the National Tracing Center; firearms trafficking investigation techniques; and training on the project and its requirements (the training process provided attendees with the skills to effectively conduct trafficking investigations, and encouraged attendees to share their new skills with colleagues); and
- deploying Project LEAD, the cornerstone of ATF’s illegal firearms trafficking program, to each criminal enforcement field division and 17 additional special program sites. This illegal firearms

ILLEGAL FIREARMS TRAFFICKING		
	FY 1996	FY 1995
Cases forwarded for prosecution	1,043	1,232
Defendants recommended for prosecution*	2,230	2,655
Future firearms-related crimes avoided	53,520	-
Crime-related costs avoided in millions	\$38.8	-
Number of trafficking inspections completed	674	643
Number of trafficking violations cited	502	362
<p>* 34,491 firearms were trafficked by the FY 1996 defendants prior to their recommendation for prosecution</p> <ul style="list-style-type: none"> New measures being reported in FY 1996: <ul style="list-style-type: none"> Future firearms-related crimes avoided Crime-related costs avoided in millions Number of trafficking inspections Number of trafficking violations cited <p>Statistics do not have a relationship in the same fiscal year because the time period from the investigation being initiated until sentencing may span several years.</p>		

“The Youth Crime Gun Interdiction Initiative addresses illegal sources of guns for youths by providing additional resources and research to identify and investigate those sources.”

trafficking information system produces crucial investigative leads by analyzing information on sales of multiple firearms and data on crime gun traces from the National Tracing Center to identify recurring patterns and trends indicative of illegal firearms trafficking.

General, and the Secretary of the Treasury. Training, computers, investigative resources, and guidance were provided to each of the 17 pilot cities. As a result, during the last quarter of FY 1996, eight Federal criminal investigations involving illegal firearms trafficking to juveniles were initiated.

Youth Crime Gun Interdiction Initiative

ATF developed the Youth Crime Gun Interdiction Initiative in response to increased crimes involving America's youth. This initiative enhances the Juvenile Firearms Violence Initiative, started in 1993, and the new Illegal Firearms Trafficking Project. The Youth Crime Gun Interdiction Initiative addresses illegal sources of guns for youths by providing additional resources and research to identify and investigate those sources.

In July 1996, ATF sponsored a conference with Chiefs of Police, U.S. Attorneys, District Attorneys, and ATF Special Agents in Charge to outline the initiative, which was officially presented by the President, the Attorney

National Tracing Center

The ATF National Tracing Center is the only operation of its kind in the world. This facility traces firearms recovered in crimes for any Federal, state, local, or international law enforcement agency. A positive firearms trace frequently is the crucial piece of evidence linking criminals to a firearms-related crime and allowing law enforcement officials

FIREARMS TRACING		
	FY 1996	FY 1995
Requests for firearms tracing processed	116,674	79,777
Average days of response time	9.4	11.5

to make an arrest. Firearms trace information also provides investigators with leads on the origin of the crime-related firearms in their investigation. With more than 100 million records stored, the tracing center is the only repository for all Federal Firearms Licensee out-of-business records.

Specific FY 1996 National Tracing Center goals were to decrease the response time and increase the number of trace requests received through efficiency improvements involving reengineering, training, and electronic downloading. The National Tracing Center achieved all its goals for FY 1996:

- It completed a Business Process Reengineering Study to improve operations and efficiency through implementation of electronic downloading of firearms trace requests from other law enforcement agencies.
- The Center increased Federal, state and local awareness of the benefits of firearms tracing through an expanded training program deployed nationwide.
- And, it decreased the average trace response time by 2 days, despite a 46 percent increase in the number of requests for firearms traces.

STOLEN FIREARMS

The passage of 18 U.S.C. Section 923(g)(6) requires the reporting to ATF of firearms thefts from Federal Firearms Licensees' inventories. The reports submitted to ATF detail a variety of thefts that result in Federal legal violations and include other offenses such as homicide, robbery, and assault with intent to commit murder.

The Stolen Firearms Project separates firearms thefts into two groups: thefts from interstate shipments and those from the inventory of a Federal Firearms Licensee. This project is designed to reduce the number of stolen firearms available to the criminal element by collecting and analyzing theft information and providing leads for field investigations. ATF initiated 107 investigations involving ten or more stolen firearms in FY 1995 and 158 investigations during FY 1996.

SAFEGUARD THE PUBLIC FROM BOMBING AND ARSON

The program Safeguard the Public from Bombing and Arson identifies and pursues the criminal misuse of explosive materials and fire.

ATF provides resources to local communities to investigate explosives incidents and arson-for-profit schemes. This program saves money for the insurance industry, and ultimately the American public, by exposing millions of dollars in fraudulent claims annually. ATF, in part, measures its success by the amount of savings to the public from proactive investigations.

PREVENT CRIMINAL MISUSE OF EXPLOSIVES

As an integral part of the Bureau's violent crime reduction strategy, ATF's arson and explosives projects focus on preventing arson and the criminal misuse of explosives, and ensuring an effective post-incident response. The Bureau maintains information on the quantities of plastic explosives possessed by individuals on or before April 24, 1996, as mandated by the Antiterrorism and Effective Death Penalty Act of 1996. In addition, ATF maintains the Explosives Incidents System, a computerized repository for historical and technical data on national explosives incidents. This system assimilates details on reported incidents helpful in determining motives. In addition, ATF is the focal point for other Federal, state, and local law enforcement agencies to initiate traces of explosives. (Annual statistical data from the Explosives Incidents System is available in ATF's *Arson and Explosives Incidents Report and Arson Case Briefs*.)

Church Fires

ATF provides vital resources to local communities in the aftermath of arson and explosives incidents. During June 1996, in response to a dramatic increase in church arsons nationwide, ATF established a church fire major case team. The team maintained a central repository for collecting, analyzing, and disseminating information while coordinating and monitoring all aspects of each investigation. The church fire major case team became the foundation for the President's National Church Arson Task Force. ATF continues to devote special agents and supporting resources to this effort. Additionally, in FY 1996, ATF provided 138 outreach presentations to community leaders, churches, and organizations throughout the country.

To promote church arson awareness and prevention, ATF developed a *Church Threat Assessment Guide* that contains valuable information on the steps that can be taken to prevent fires at houses of worship; the steps to follow after an incident has occurred; and the toll-free numbers 1-888-ATF-FIRE and 1-888-ATF-BOMB. ATF distributed copies of the *Church Threat Assessment Guide* nationally in conjunction with the Federal Emergency Management Agency. The guide is also available to the public on the ATF web site (<http://www.atf.treas.gov>).

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An ATF Special Agent on the church fire major case team responds to a church fire.

ATF canine, "Charlie," sniffs for explosives at the 1996 Summer Olympics.



Canines

In 1989, ATF and the Connecticut State Police began a formal training program for accelerant-detecting canines to support state and local jurisdictions (accelerant-detecting canines search for liquid catalysts that can be used to speed up the spread of fire). These canines are the only accelerant-detecting canines in this country that carry a Federal certification, and must be recertified annually by ATF. Through FY 1996, a total of 56 accelerant-detecting canines were collaboratively trained and certified by ATF and the Connecticut State Police for state and local agencies. In FY 1996, ATF recertified 47 canine teams.

ATF expanded its canine efforts in 1991 through an agreement with the Department of State to train explosives-detecting canines to deploy worldwide in support of antiterrorism efforts. In FY 1996, ATF trained an additional 26 explosives-detecting canines for the Department of State. ATF's first explosives-weapons canine team became fully operational in FY 1996 and deployed for the Olympics. In conjunction with other ATF-trained foreign teams, the canine team performed 3,485 exterior searches of public areas, vehicles, loading docks, and trash/recycle containers; as well as 8,697 interior searches of lobbies, conference rooms, offices, lockers, mailrooms, and freight at the 1996 Olympic Games. ATF will add additional special agent/canine teams to San Francisco and Chicago.

ATF also entered into an agreement with the U.S. Customs Service, to use its Canine Enforcement Training Center in Front Royal, Virginia, to train both accelerant and explosives-detecting canines for foreign, Federal, state and local agencies.

CANINES		
	FY 1996	FY 1995
Accelerant-detecting canines trained for state and local law enforcement	0	12
Explosives-detecting canines trained and deployed internationally	26	23
ATF Explosives-weapons Canine Team Operational deployment	26	0
Field demonstrations	52	0
<ul style="list-style-type: none"> New measures being reported in FY 1996: <ul style="list-style-type: none"> ATF Explosives-weapons Canine Team Operational deployment Field demonstrations <p>Statistics on operational deployment reflect the number of specific incidents or investigations responded to and not the number of actual canine searches conducted.</p>		

Research Initiatives

Working in conjunction with the U.S. Army Corps of Engineers and the Defense Special Weapons Agency, ATF's Explosives Technology Branch and National Laboratory Center are researching the blast effects of large car bombs. The Dipole Might project, started in 1994, is funded by the National Security Council. Its charter is to develop a computer software system to assist investigators processing the scenes of large car bombs. In FY 1995, when two large car bombs were detonated, investigators conducted a complete post-blast analysis to study bomb characteristics including explosives signature, blast effect, debris distance, and residue retrieval.

ATF is advancing the use of computerized fire modeling to calculate the physics of a fire, and how a fire develops and spreads. A relatively new tool to the enforcement community, computer modeling has proven successful in the courtroom to verify witness testimony. ATF developed a comprehensive strategy to actively expand the use of fire research and computerized fire modeling with the criminal enforcement functions. Part of this strategy is a prospectus to construct, in partnership with an institution of higher learning, a Fire Investigation and Research Center to analyze the origins and dynamics of fire as it pertains to criminal investigations.

An Explosive Taggant Study Group is reviewing the feasibility and mechanics of using taggants in explosive materials to track criminal misuse in bombings and other incidents. (A taggant is a solid, liquid or gas substance used to either identify an explosive material after a detonation, or to detect explosive materials before a detonation.) If taggants prove feasible, they could help post-blast investigators determine the origin of explosive materials.

EFFECTIVE POST-INCIDENT RESPONSE

Coordinated and rapid deployment of highly trained and well-equipped individuals is critical to any arson or explosives investigation. ATF employs a team approach to investigate arson and explosives incidents, using the National Response Teams, International Response Team, Field Division Response Teams, and Arson Task Forces. These teams consist of ATF special agents, auditors, explosives enforcement officers, forensic chemists, explosives and accelerant-detecting canines, fire protection engineers, and intelligence support.

National Response Teams must employ stringent standards when processing evidence at crime scenes to avoid potential mishaps. To support this activity, ATF provides a series of schools and refresher courses for special agents emphasizing appropriate evidence preservation techniques. Major course topics include securing a

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NATIONAL RESPONSE TEAMS		
	FY 1996	FY 1995
Incidents requiring a National Response Team expertise	22	21
BOMBING AND ARSON		
Explosives-Related		
Investigations	905	910
Cases/Defendants	196/315	244/409
Arrests	255	279
Arson-Related		
Investigations	2,408	1,761
Cases/Defendants	220/450	238/438
Arrests	301	287
Dollars saved in fraudulent insurance claims (in millions)	\$29.8	\$19.7
<ul style="list-style-type: none"> Measures reported in FY 1995 and discontinued in FY 1996: Explosives-Related indictments and convictions Arson-Related indictments and convictions New measures being reported in FY 1996: Explosives-Related investigations and cases/defendants Arson-Related investigations and cases/defendants 		

“ATF’s Certified Fire Investigators are the only investigators trained by a Federal law enforcement agency to qualify as expert witnesses in fire cause determinations.”

perimeter, collecting, packaging, and the shipping of evidence samples.

ATF’s four National Response Teams can respond within 24 hours to major bombing and fire scenes anywhere in the United States. In FY 1996, ATF’s National Response Teams provided effective post-incident response in 22 incidents. The National Response Team personnel also provided technical investigative assistance for the Olympic Centennial Village bombing and the TWA Flight 800 crash. ATF also maintains an International Response Team, formed as a result of an agreement with the Department of State. The team has been deployed to such countries as Peru, Argentina, Pakistan, El Salvador, and Macedonia. Since its inception in 1991, the International Response Team has been activated 12 times for incidents involving explosives and fires, including two incidents during FY 1996.

ARSON RESOURCES

ATF pioneered the development of local multiagency task forces designed to pool resources and expertise in areas experiencing significant arson problems. In FY 1996, ATF led formal

arson task forces in 15 major metropolitan areas throughout the United States.

A Certified Fire Investigator is critical to the success of a comprehensive post-incident response. ATF’s Certified Fire Investigators are the only investigators trained by a Federal law enforcement agency to qualify as expert witnesses in fire cause determinations. In FY 1996, there were 53 of these investigators stationed throughout the United States. Fifteen investigators completed their two-year training and were certified during FY 1996, and an additional 29 investigator candidates began training and will be certified during FY 1998.

ATF’s Certified Fire Investigators played a major role in the church arson investigations, and assisted with the fire investigation at the Department of the Treasury Building in June 1996.

ARSON AUDITS

Because many arson crimes involve insurance fraud, these investigations often require complex financial analysis. ATF’s Office of Science and Information Technology supports the task forces by providing financial auditing services, information systems and equipment, and high-speed data communications. This includes Internet access to facilitate the research and exchange of national and international technical data and intelligence.

FIRE CAUSE AND ORIGIN				
	FY 1996		FY 1995	
Incidents	1,945		1,437	
Killed	189		173	
Injured	521		454	
Property Damage (in millions)	\$518.7		\$509.2	
Cause	#	%	#	%
Arson	920	47	753	52
Accidental	679	35	430	30
Undetermined	346	18	254	18
Total	1,945	100	1,437	100
<ul style="list-style-type: none"> New measures being reported in FY 1996: Incidents, Killed, Injured, Property Damage, Cause, Arson, Accidental, and Undetermined 				

IMPRISON VIOLENT OFFENDERS

The program Imprison Violent Offenders investigates, arrests, and recommends for prosecution violent criminals who violate firearms and explosives laws in their criminal activity.

ACHILLES

To remove the most dangerous armed career criminals and armed drug trafficking organizations from the streets, the Achilles Project uses specific Federal firearms laws that provide for extended mandatory periods of incarceration. Possessing and using firearms becomes the Achilles heel of violent criminals. They are exposed to lengthy prison sentences under Federal laws, and the firearms they possess yield valuable information regarding previous criminal acts and criminal associates. Further, through firearms tracing, the illicit firearms sources for these violent criminals are investigated under ATF's Illegal Firearms Trafficking Project. Achilles Project goals are to incarcerate armed violent criminals for long periods of time to prevent future crimes of violence and avoid the future costs of those crimes to the American public.

VIOLENT OFFENDERS

The Violent Offender Project serves as an early safety warning and notification system for law enforcement officers in the field. ATF personnel enter into the National Crime Information Center system pre-identified violent career criminals who are currently free in society. When any law enforcement official encounters one of these individuals, and runs a National Crime Information Center check on the individual, the officer will receive a

ACHILLES		
	FY 1996	FY 1995
Cases forwarded for prosecution	2,241	3,064
Defendants recommended for prosecution	3,327	4,567
Defendants sentenced	440	617
Total years of sentences	5,104	6,139
Total life sentences received by defendants	9	2
Armed career criminals currently in prison	1,889	1,730
Future crimes avoided ¹	302,240	573,000
Crime-related costs avoided (in billions) ¹	\$.7	\$1.3

NOTE: Statistics do not have a relationship in the same fiscal year because the time period from the investigation being initiated until sentencing may span several years.

¹ Future crimes avoided and crime-related costs avoided between 1995 and 1996 are based on the 1991 ATF study "Protecting America," which examines the effectiveness of the Federal Armed Career Criminal Statute and ATF's Achilles program. Cost and benefit formulas were developed from this study and are endorsed by the academic and research community and a cross-section of nationwide state and local law enforcement.

The reduction in future crimes and crime-related costs avoided between 1995 and 1996 is attributable to a new method of measurement instituted in FY 1996. In FY 1996, this project is reporting crimes and crime-related costs avoided for only FY 1996, rather than over the course of an armed career criminal's entire 18-year sentence, which was the method used for FY 1995.

- New measures being reported in FY 1996:
Armed career criminals currently in prison
Total life sentences received by defendants
- Measures reported in FY 1995 and discontinued in FY 1996:
Investigations initiated
Defendants indicted
Defendants convicted

VIOLENT OFFENDERS		
	FY 1996	FY 1995
Subjects encountered while in possession of a firearm	18	32

“The Violent Offender Project serves as an early safety warning and notification system for law enforcement officers in the field.”

safety advisory that the person is a career offender, and that ATF should be contacted if the offender is in possession of a firearm. This database currently contains 1,000 offenders.

In FY 1996, each violent offender encountered with a firearm had an average of 5.7 prior felony convictions and 30.4 years in prior prison sentences. In addition, 8 of the 18 subjects had previously received life sentences, but were released or paroled early. If convicted, these criminals receive mandatory sentencing of 15 years to life in prison, without the possibility of probation or parole.

ATF is evaluating this project to determine if modifications are needed and to identify more efficient methods to accomplish the same goal. To assist in this evaluation process, ATF requested an independent audit and review by the Department of the Treasury Office of Inspector General, which began at the end of FY 1996.

CEASEFIRE

CEASEFIRE uses state-of-the-art ballistics technology to increase the efficiency of firearms examiners, reduce the future costs associated with the hiring of additional firearms examiners, and increase the solution rate of shooting incidents. This technology, the Integrated Ballistic Identification System, consists of “Bulletproof,” a database module which examines projectiles, and “Brasscatcher,” a database module which examines shell casings. Specific goals for FY 1996 were to deploy the CEASEFIRE technology to ten new sites and increase use of the technology. The overall FY 1996 goals of the CEASEFIRE project were accomplished.

CEASEFIRE		
	FY 1996	FY 1995
Bullets entered into the system	22,179	2,443
Ballistic matches made with projectiles	55	77
Shell casings entered into the system	26,390	1,652
Ballistic matches made with shell casings	188	151
New measures being reported in FY 1996:		
<ul style="list-style-type: none"> The use of Bulletproof by firearms examiners increased 807%. (Bullets entered into the system increased from 2,443 in FY 1995 to 22,179 in FY 1996.) The use of Brasscatcher by firearms examiners increased 1,498%. (Shell casings entered into the system increased from 1,652 in FY 1995 to 26,390 in FY 1996.) With the Integrated Ballistic Identification System 13.5 Firearms Examiners were able to accomplish work loads equivalent to the efforts of 7,465 Firearms Examiners not having the Integrated Ballistic Identification System. With the Integrated Ballistic Identification System Firearms Examiner productivity/efficiency was increased 552 times. CEASEFIRE was expanded to ten new sites (East Lansing Michigan; Portland, Oregon; Birmingham, Alabama; Prince George's County, Maryland; Newark, New Jersey; Des Moines, Iowa; Detroit, Michigan; Contra Costa and Sacramento, California; and Bridgeport, Michigan). 		

DIVERSION OF INVESTIGATIVE RESOURCES DURING FY 1996


An initial review of the preceding program discussion and analysis for the *Reduce Violent Crime* activity suggests that, in some areas, case and defendant levels decreased in FY 1996 when compared to FY 1995. However, significant numbers of special agents were diverted from conducting investigations to other important duties in FY 1996; for special agents actually performing case work in FY 1996, the ratio for cases and defendants remained stable with FY 1995 outputs.

During FY 1996, ATF special agents performed duties in support of the following additional efforts unrelated to recurring case work:

- over 650 special agents were assigned to protection details for Presidential campaign, United Nations, and Olympics security;
- approximately 100 special agents were assigned exclusively to investigate fires at places of worship/churches; and
- special agents are continuously assigned on a rotational basis to specialized positions, including coordinators for Project LEAD, Violent Offenders, Project Outreach and GREAT, as well as Public Information Officers, Intelligence Officers, Certified Firearms Instructors, and Special Response Team members.



Director John Magaw accompanied Department of the Treasury Secretary Robert Rubin at a press conference announcing Detroit Police Department's acquisition of the state-of-the-art Integrated Ballistic Identification System, under ATF's CEASEFIRE program. Touring the Detroit Police Department's gun vault after the announcement are (from left) Isaiah McKinnon, Chief of Police; Dennis Archer, Mayor of Detroit; Rep. John Conyers, Jr., D-Detroit; Secretary Rubin; and Director Magaw.



COLLECT REVENUE

The goal of the *Collect Revenue* activity is to maintain an efficient and effective revenue management and regulatory system that continues to reduce taxpayer burden and Government oversight, and collects the revenue due under Federal laws administered by ATF. This activity is supported by two major programs: Ensure Collection of Revenue Due and Manage and Process Revenue.

ENSURE COLLECTION OF REVENUE DUE

ATF collected \$12.7 billion before refunds in taxes, interest, penalties, and fees in FY 1996. Ninety-eight percent of collections derived from alcohol and tobacco excise taxes. On-site inspections of those who pay alcohol, tobacco, firearms, and ammunition taxes are focused on facilities offering the greatest risk to the revenue based on the volume of operations, past history of violations, relative strength of internal controls, and financial condition. *A more detailed description of the various types and sources of revenues starts on page 48 in the Financial Analysis and Discussion section.*

ATF employees continuously monitor tax collections by auditing tax returns and assessments, initiating enforced collection action, analyzing required reports, and accounting for tax payments, licensing fees, and related refunds. ATF also reviews and acts on applications and surety bonds submitted by companies that produce or sell alcohol or tobacco products.

When criminal conduct is suspected—as with diversion or some label fraud cases—teams of ATF special agents, auditors, and inspectors conduct complex investigations of violations of the Federal Alcohol Administration Act and the Internal Revenue Code. At year end, ATF was investigating more than 100 domestic and international cases. ATF also investigates domestic trafficking in contraband tobacco products that deprives states of needed tax revenue and violates Federal law.

In partnership with the Internal Revenue Service, ATF instructed foreign tax police on the U.S. alcohol and tobacco licensing and taxation system. In FY 1996, 422 students from Russia, Ukraine, Belarus, and the Baltic States received this training.

MANAGE AND PROCESS REVENUE

ATF's revenue management program includes a variety of processes and functions based on the processing, auditing, and recording of tax returns and monthly operating reports, as well as the accounting for all deposits and payments for taxes, licenses, permits, and fees from the alcohol, tobacco, firearms, ammunition, and explosives industries.

Effective management of taxpayer accounts and proper receipt of tax returns and payments ensure accurate collections and reporting of all receivables. ATF's collection systems include work by the technical services staffs located in the districts and the Tax Processing Center in Cincinnati. The principal activities of these entities are office audits of tax returns and reports, audits of claims, collection actions, review and approval of applications for permits, registration of plants and surety bonds, and processing and custody of official case files.

During FY 1996, ATF continued efforts to reduce the number of technical services offices, ultimately leading to a single ATF tax- and permit-processing center serving the entire country from Cincinnati. In accomplishing this, ATF plans to maintain or enhance customer service and revenue protection despite an overall reduction in resources allocated to these functions.

DIVERSION AND SMUGGLING

ATF is engaged in an ongoing endeavor to reduce the rising trend of illegal diversion activities involving cigarettes and distilled spirits.

Criminal violations committed in these diversion schemes include violations of the Internal Revenue Code

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ALCOHOL AND TOBACCO PERMITS AND INSPECTIONS		
	FY 1996	FY 1995
Alcohol Permittees (beginning of year)	26,795	26,001
Alcohol Inspections		
Application inspections	1,314	1,240
Compliance inspections*	1,902	2,515
Violations disclosed	1,169	2,187
Additional taxes assessed	\$4,253,000	\$2,494,000
* Note: Product integrity, market integrity, and tax compliance inspections.		
Tobacco Permittees (beginning of year)	331	314
Tobacco Inspections		
Application inspections	72	81
Compliance inspections	196	218
Violations disclosed	68	78
Additional taxes assessed	\$4,207,000	\$321,000
<ul style="list-style-type: none"> • New measures being reported in FY 1996: Alcohol and tobacco permittees • Measures reported in FY 1995 and discontinued in FY 1996: Alcohol and tobacco permit applications received and processed 		

“ATF collected \$12.7 billion in taxes and fees in FY 1996. Ninety-eight percent of collections derived from alcohol and tobacco excise taxes.”

recordkeeping requirements, Federal Alcohol Administration Act permit requirements, statutes relating to commerce with Native Americans, wire and/or mail fraud, money laundering, and conspiracy. ATF’s goal is to achieve compliance with U.S. laws that will greatly reduce the illegal diversion of alcohol and tobacco products.

Diversion activities also defraud the United States of tax revenues. In this case, non-tax-paid cigarettes and distilled spirits are fraudulently claimed for export markets (for which there is no tax liability) when in fact they may be illegally diverted back into the U.S. domestic market for sale where taxes should apply.

ATF pursues tax assessments against a number of domestic producers because the documentation offered to ATF to support the tax-free exportation of these products often is either counterfeit or absent. Such assessments are largely responsible for the marked increase in additional taxes assessed in FY 1996. ATF considers administrative action or criminal prosecution against retailers, wholesalers, and manufacturers who knowingly supply smuggling organizations.

ATF participates in joint investigations with the Internal Revenue Service, U.S. Customs Service, Revenue Canada, and state and local law enforcement. These investigations focus on significant tobacco- and distilled spirits-related criminal diversion activities in the United States and Canada. ATF is developing a northeast border strategy to stop the large-scale diversion of alcohol, tobacco, and firearms to Canada.

During FY 1996, ATF began developing an intelligence database for alcohol and tobacco diversion and contraband trafficking. In conjunction with the Federation of Tax Administrators, ATF established a toll-free number, 1-800-659-6242, to report large thefts and hijacked shipments of cigarettes. ATF and states use the asset forfeiture laws to combat diversion, and ATF is currently pursuing the enactment of an interstate trafficking law that will cover tax-paid liquor and cigarettes.

The seizure of alcohol beverages and tobacco products by ATF agents and inspectors in 1996 has resulted in over \$804 thousand being credited to the Treasury Forfeiture Fund. Through our efforts, several members of organized crime groups have been successfully prosecuted. Also, in FY 1996, ATF accepted \$107 thousand from subject distilleries and wholesalers to settle cases involving illegal activity. There are currently 135 open diversion cases.

Alcohol Trade Issues

The solidification of the European Union, the emergence of new Pacific Rim economies and the movement of former Soviet States to market economies have had a major influence on the

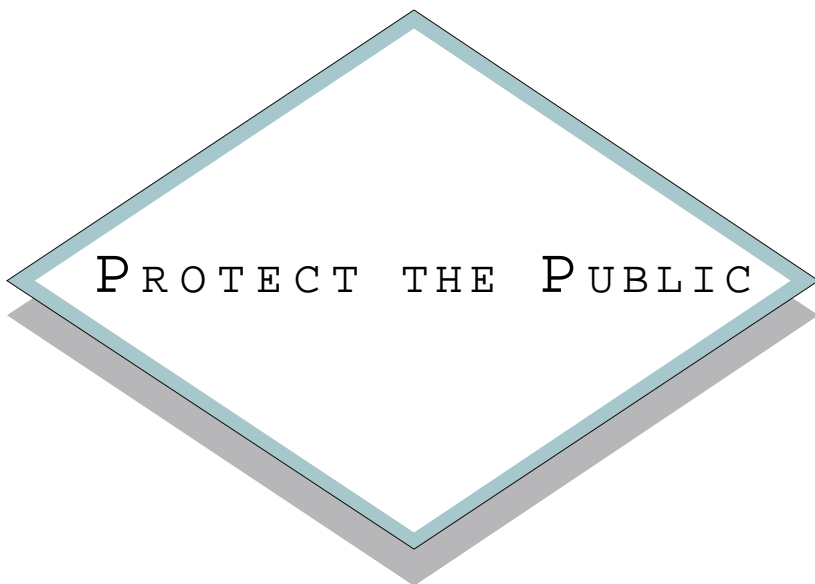
world economy. While this global economy provides new opportunities for U.S. producers of alcohol beverages, the changing political economic landscape also produces discriminatory trade barriers that limit market access to U.S. manufacturers.

ATF assists U.S. businesses in overcoming trade barriers through direct intervention with foreign governments, by supporting the United States Trade Representative in negotiations concerning the North American Free Trade Agreement, and in negotiations with the European Union. ATF also monitors and analyzes changes in foreign trade and political policies in order to anticipate and overcome potential barriers to U.S. interests. ATF represents the U.S. wine and brandy interests through membership and participation in the International Organization of Vine and Wine.

ATF also assists the governments of these developing world market economies to establish effective revenue collection models through training courses offered in cooperation with the Department of State.



ATF inspectors verify an inventory of finished alcohol products.



ATF's *Protect the Public* activity includes goals to complement enforcement with training and prevention strategies through community, law enforcement, and industry partnerships, and to reduce public safety risk and consumer deception on regulated commodities. This is accomplished through three major programs: Community Outreach, Protect the Consumer, and Public Safety.

COMMUNITY OUTREACH

The Community Outreach Program focuses on community efforts designed to encourage and participate in the prevention of violence.

GREAT

ATF supports the Gang Resistance Education and Training (GREAT) project by providing oversight and administration. GREAT is a partnership of ATF, the Phoenix Police Department, and the Federal Law Enforcement Training Center, designed to use the expertise of each agency to provide gang prevention and antiviolence instruction to juveniles in a classroom setting. Since 1992, GREAT has certified approximately 2,000 Federal, state, and local officers as trainers. GREAT is taught in 46 states, Washington, D.C., Guam, Puerto Rico, and military bases in Germany and Japan.

*An ATF Special Agent
teaches a group of GREAT
students.*



GREAT		
	FY 1996	FY 1995
"Train-the-Trainer" classes	19	15
Police officers attending instructor training	599	504
Police departments sending officers to training	328	240
Juveniles graduating from GREAT *	221,000	504,000
* The FY 1995 figure for juveniles graduating from GREAT was an approximate cumulative figure since ATF's initial involvement in the program in 1992. The figure for FY 1996 is based on the number of certificates issued to graduates during FY 1996.		

"Since 1992, GREAT has certified approximately 2,000 Federal, state, and local officers as trainers."

Local and national response has been overwhelmingly positive. Preliminary results of a University of Nebraska long-term evaluation indicate that GREAT, in partnership with community policing, is perceived as having a major positive impact.

Administration and with regulatory agencies in many foreign countries. The laboratories exchange information on existing and new analytical methods and on product contamination or adulteration issues discovered by governmental laboratories, both domestic and foreign. This level of cooperation enhances ATF's proactive stance to ensure that contaminated or adulterated products do not reach the U.S. marketplace.

PROTECT THE CONSUMER

The Protect the Consumer Program ensures that commodities meet safety and product identity standards.

ATF conducts a full range of regulatory functions in the alcohol beverage industry. The Federal Alcohol Administration Act, passed shortly after the repeal of Prohibition, coupled with certain Internal Revenue Code provisions, authorizes ATF to fully regulate the industry and to provide protection to consumers of alcohol beverages.

Each year, through the market basket sampling program, ATF collects thousands of alcohol and tobacco products from the marketplace for analysis by ATF laboratories. If any problems or unsafe conditions are found, they are investigated by ATF inspectors and corrected.

ATF's laboratories work closely with counterparts at the U.S. Food and Drug

INDUSTRY AND STATE PARTNERSHIPS

ATF conducts seminars for firearms and explosives permittees and licensees, providing current information on the laws and regulations pertaining to these commodities. Through these seminars ATF has fostered various partnerships with firearms and explosive industry members to prevent tragedies stemming from the illegal use of firearms and explosives. Seminar attendees include industry officials, licensees, permittees, and state and local law enforcement officials.

INDUSTRY SEMINARS		
	FY 1996	FY 1995
Firearms	104	186
Explosives	26	38
Alcohol	33	11

Alcohol seminars focus on current compliance problems and industry issues. These seminars tripled in FY 1996, when the Federal Alcohol Administration Act Trade Practice Regulations were completely revised, resulting in a need to re-educate industry members.

The Bureau continues to expand partnerships with regulated industries and state governments. For example, the Office of Science and Information Technology initiated the Partnership Formula Approval Process, which was instituted for all beverage and flavor manufacturers after a successful trial program. This new business process was a result of a joint effort of ATF, the alcohol beverage industry, and the flavor industry. The result of this collective effort was a dramatic reduction in the average approval time required for flavored beverage alcohol products from eight weeks to less than two weeks.

ATF established liaisons with several governmental agencies working toward a common goal of public safety in the explosives industry. The Department of Transportation is supplying ATF with a list of its product approval numbers for use in determining the appropriate classification of explosive materials entering into commerce either through domestic production or through importation.

With the downsizing of the military, the Department of Defense began leasing parts of active military bases to private explosives businesses. As a result, ATF joined the Department of Defense Explosives Safety Board to ensure that the enterprises on these facilities safely store and use explosives.

Because of the nature of Federal/state alcohol regulation rooted in the Twenty-First Amendment, ATF works closely with counterpart state liquor control and taxation agencies. Wherever possible, industry groups are also included.

Current cooperative efforts focus on making ATF a center for industry-related information by making a wide range of data, including pictures of approved alcohol beverage labels, available through automated systems. The goal is to enable states to decrease parallel requirements and systems, to provide more efficient and timely access to data, and to reduce delays to industry in marketing new products. ATF continues to benefit from the cooperation of many state agencies in notifying retail liquor dealers of the liability for payment of special occupational tax. Special occupational tax collections totaled \$108 million for FY 1996.

The 60-year-old Pittman-Robertson Act levies an 11 percent excise tax on the sales of guns and ammunition. For FY 1996, ATF collaborated with the Department of the Interior to distribute \$161 million from this tax to states for wildlife restoration projects.

In FY 1996, Congress passed the Antiterrorism and Effective Death Penalty Act. Working with the international community, industry members and other affected groups, ATF is conducting a study to explore the feasibility of placing tracer elements in explosives materials for the purpose of detection and identification. At the conclusion of the study, the group will recommend to Congress the future options available that will make the illegal use of explosives materials more difficult. One option already implemented is a partnership between the

fertilizer industry and ATF, incorporating voluntary reporting of suspicious purchasers of ammonium nitrate to ATF.

CERTIFICATES OF LABEL APPROVAL

ATF is charged with protecting the consumer by preventing false or misleading claims on beverage labels and in advertising. The Bureau enforces the Government Health Warning Statement requirements, prohibits unbalanced and unsubstantiated health claims or misleading and deceptive claims, monitors industry advertising, and conducts investigations of suspected label fraud. With limited exceptions, ATF issues Certificates of Label Approval for every alcohol beverage offered for sale in the United States.

The Bureau remains strongly committed to customer service standards for label approval processing. At the end of FY 1996, ATF mailed approximately 1,400 customer satisfaction surveys to industry members. The results will be tabulated and reported in FY 1997.

ATF investigates anticompetitive business practices between alcohol beverage suppliers and retailers to preserve the retailers' economic independence. The Bureau also investigates consumer complaints of tainted or adulterated alcohol beverages.

CERTIFICATES OF LABEL APPROVAL		
	FY 1996	FY 1995
Approved labels on file	1,561,615	1,521,264
Applications for approval processed	57,131	59,730
Percentage processed within the ATF standard of 9 days	87.4%	92.3%

PUBLIC SAFETY

The Public Safety Program focus is to keep ineligible or prohibited persons out of the regulated industries and ensure that firearms and explosives are properly accounted for.

FEDERAL FIREARMS LICENSES AND INSPECTIONS

The Gun Control Act of 1968 mandates that every manufacturer, importer, or dealer in firearms obtain a Federal Firearms License. ATF conducts inspections of applicants for Federal firearms licenses. During these inspections, ATF inspectors explain the Federal firearms laws and regulations, and determine if the applicants are bona fide candidates for a license. Where inspection reveals conflicts with state laws and local ordinances, inspectors make referrals to the appropriate regulatory agency, such as a zoning, occupancy, fire code, or law enforcement agency.

Once a licensee is engaged in business, inspectors ensure the licensee's compliance with Federal laws and specific recordkeeping regulations. ATF enforces the licensing provisions of the Gun Control Act of 1968 by conducting on-premises inspections.

ATF implemented procedures for routinely providing the Chief Law Enforcement Officer in each jurisdiction information on the status of Federal Firearms Licensees in that area. Working in partnership with state and local law enforcement officials, ATF can effectively address licensing and illegal firearms trafficking problems.

In FY 1996, ATF made a priority shift to devote more resources to firearms applications inspections, ensuring that Federal Firearms Licensees are familiar

“The Bureau enforces the Government Health Warning Statement requirements, prohibits unbalanced and unsubstantiated health claims or misleading and deceptive claims, monitors industry advertising, and conducts investigations of suspected label fraud.”

FEDERAL FIREARMS LICENSES AND INSPECTIONS		
	FY 1996	FY 1995
Federal Firearms Licensees (end of year)	135,794	191,495
New Applications		
Received	6,460	6,186
Licenses issued	6,691	5,467
Renewal Applications		
Received	37,350	29,729
Licenses issued	30,525	17,145
Application Inspections		
On-premises inspections	6,385	4,815
Renewal telephone inspections	21,795	10,822
Compliance Inspections		
On-premises inspections	10,051	13,141
Violations disclosed ¹	6,246	8,126
¹ Multitude violations could result from inspection of a single licensee. • Measures reported in FY 1995 and discontinued in FY 1996: New Applications Processed, Renewal Applications Processed		

“ATF maintains a regular program of on-site inspections to ensure that explosives are stored in approved facilities, which are secure from theft and located at prescribed distances from inhabited buildings, railways, and roads.”

with applicable laws and regulations. Consequently, fewer staff hours were available to conduct compliance inspections.

EXPLOSIVES LICENSES AND INSPECTIONS

ATF recognizes the value of averting accidents and keeping explosives from the hands of those who are prohibited from possessing them. ATF enforcement provides a system of industry regulation, emphasizing a proactive approach to the problem. Similar to the case with firearms, all manufacturers, importers, and dealers are required to obtain a Federal license from ATF to conduct business; and certain users of explosives are required to obtain a Federal permit.

ATF maintains a regular program of on-site inspections to ensure that explosives are stored in approved facilities, which are secure from theft and located at prescribed distances from inhabited buildings, railways, and roads. These inspections ensure that the licensees and permittees keep accurate records of the receipt and disposition of explosive materials, which are verified through actual inventories of explosives in storage. Unusual discrepancies in records are referred immediately to the appropriate ATF Criminal Enforcement office for further investigation. Inspectors also conduct “forward trace” inspections on persons who purchase explosives without benefit of a license or permit for “same day use with no overnight storage.”

ATF initiated a program that requires each regulatory enforcement area office to notify the local fire department of licensees/permittees storing explosive materials and the location of the storage. This was done to aid in minimizing accidental injury to fire officials fighting fires in buildings or structures that may house explosive materials.

EXPLOSIVES LICENSES AND INSPECTIONS		
	FY 1996	FY 1995
Federal Explosives Licensees and Permittees (end of year)	10,341	10,061
New Applications		
Received	1,537	2,035
Licenses/permits issued	2,003	2,022
Renewal Applications		
Received	2,754	1,934
Licenses/permits issued	2,697	2,237
Application Inspections		
On-premises inspections	957	955
Compliance Inspections		
On-premises inspections	2,813	3,145
Violations disclosed	1,214	1,260
<ul style="list-style-type: none"> Measures reported in FY 1995 and discontinued in FY 1996: New Applications Processed, Renewal Applications Processed New measures being reported in FY 1996: Federal Explosives Licensees and Permittees 		

NATIONAL FIREARMS ACT

The National Firearms Act requires that certain firearms be registered in what is known as the National Firearms Registration and Transfer Record. The firearms required to be registered are machine guns, silencers, short-barreled rifles, destructive devices, and certain concealable weapons classified as “any other weapons.” ATF processes all applications to make, export, transfer,

transport, and register the National Firearms Act firearms, as well as notices of the National Firearms Act firearms manufactured or imported.

NATIONAL FIREARMS ACT WEAPONS ACTIVITY		
	FY 1996	FY 1995
Firearms Registered	823,459	756,260
Documents Processed	242,054	218,293
Record Searches	5,744	5,677*
<p>* Of the searches, 92% were associated with criminal investigations, while the remaining 8% were associated with firearms inspections.</p> <ul style="list-style-type: none"> New measures being reported in FY 1996: <ul style="list-style-type: none"> Firearms Registered Documents Processed Record Searches 		

FIREARMS AND AMMUNITION IMPORTATION

ATF regulates the importation of firearms, ammunition, and other defense-related articles through the issuance of import permits.

ATF maintains close liaison with the Department of State to ensure that the permits it issues do not conflict with the foreign policy and national security interests of the United States. At the direction of the Department of State, ATF lifted the arms trade restrictions imposed against the Russian Federation. Additionally, the Department of State subsequently directed ATF to lift the arms trade restrictions imposed against the Ukraine, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmeistan, and Uzbekistan.

During FY 1996, ATF amended regulations pertaining to high-capacity ammunition magazines, allowing these articles to be imported into the United States, if the importer has documentation that the magazines were manufactured before September 14, 1994.

FIREARMS AND AMMUNITION IMPORTATIONS		
	FY 1996	FY 1995
Importer Registrations Received	328	298
Permit Applications Received	11,527	11,608
<ul style="list-style-type: none"> New measures being reported in FY 1996: <ul style="list-style-type: none"> Importer Registrations Received Permit Applications Received 		

PROGRAM ADMINISTRATION AND SUPPORT

TRAINING

In FY 1995, the Bureau established the Office of Training and Professional Development, dedicated to providing innovative training programs in support of the Bureau's mission. ATF occupations and organization segments are looked at in a "macro" sense, and skills and abilities needed for those occupations and organizations are identified. Formal on-the-job training and certification programs for every group of occupations are being established to serve as building blocks for careers at ATF, thereby improving overall Bureau performance.

During FY 1996, the Bureau initiated the following key programs to enhance performance. These programs reflect the diverse mission responsibilities of ATF now, and in the future:

- a "Training Model" to standardize and ensure consistent methods to measure and improve individual and organization performance;
- continued professional development of current supervisors, managers and leaders;
- external Bureau partnerships for advancing Bureau mission programs and educational opportunities for ATF personnel; and
- tactical and explosives training conducted at the ATF National Academy in Glynco, Georgia, and Fort McClellan, Alabama.

ATF is committed to being the very best world-wide agency for expertise in arson, explosives, firearms, and revenue management. Revitalized and strengthened training in these program areas is emphasized, with a 127 percent increase in specialized training during FY 1996.

State, Local, and International Training

Another major responsibility of the Office of Training and Professional Development is the training of state, local, and international law enforcement officers. In FY 1996, ATF trained more than 10,000 officers worldwide.

Also, in partnership with the Department of State, Office of International Narcotics Matters, and other law enforcement agencies, ATF conducted international post-blast training classes in Glynco, Georgia, for students from Russia, Hungary, Ukraine, Macedonia, Belarus, Moldova, and Poland. ATF often shares policies, procedures, knowledge, and technical expertise with foreign governments. During this partnership endeavor, skilled ATF instructors present comprehensive and informative courses covering explosives theory, team concepts, investigative techniques, reconstruction of crime scenes, post-blast identification, the role of pathologists, laboratory capabilities, and interview techniques. In FY 1996, 119 students were trained.

International crime, particularly organized crime, is increasingly being detected in Western Europe and the United States. The number of criminal enterprises with roots in Central and

Eastern Europe is increasing each year. As a result, the International Law Enforcement Academy Program was established in Budapest, Hungary. ATF special agents provide training in arson and explosives, armed violent gangs, and firearms enforcement. In FY 1996, 199 international law enforcement officers were trained.

AIR OPERATIONS

Aircraft operations provide a specialized investigative tool used to support Bureau investigative priorities. Aircraft are used for suspect surveillance, gathering electronic and video photographic evidence, and enhancing the safety of undercover personnel. In FY 1996, ATF air operations were partially supported by the U.S. Customs Service. Beginning in FY 1997, the U.S. Customs Service will provide ATF with full air support on a reimbursable basis.

PROTECTIVE OPERATIONS

FY 1996 was one of the most challenging years in ATF history. Besides conducting high-profile, labor-intensive criminal investigations, ATF was a full participant in protective operations for all major national and international events that took place in the United States.

ATF provided special agents to security details for all presidential candidates and their families during the presidential campaign. ATF personnel also provided security for the visit of Pope John Paul II and the opening of the United Nations General Assembly. ATF special agents and inspectors provided security and explosives

“The Bureau established the Office of Training and Professional Development, dedicated to providing innovative training programs in support of the Bureau’s mission.”



At the 1996 Summer Olympics, Special Agents deputize children, asking them to take an oath to remain drug-free.

expertise to the joint law enforcement efforts for the 1996 Olympic and Paralympic games. More than 300 Bureau personnel participated in this joint enforcement partnership.

SCIENTIFIC INVESTIGATIVE SUPPORT

The Office of Assistant Director (Science and Information Technology)/Chief Information Officer plays a key role in the Bureau's overall enforcement functions.

During FY 1996, the Bureau used the unique capabilities of the Information Services Division and expertise of the scientific laboratories to support several high-profile investigations. These included the Olympic Centennial Park bombing, the TWA Flight 800 investigation, and church fires throughout the Southeast.

Information Services

The Science and Information Technology Information Services Division is responsible for the development, implementation, and maintenance of all Bureau information resources, including all aspects of data processing, communications, and office automation.

In FY 1996, ATF developed the Enterprise Systems Architecture, a multi-year initiative to upgrade its information architecture to provide a modern electronic data processing platform and enhanced technology base for all future development. The Enterprise System Architecture, a critical information technology investment, is an integral part of ATF's strategic plan that is essential to meet the challenges (i.e. Year 2000 Date Compliance Project, Virus Protection) posed by the information age over the next three to five years.

Major components of the Enterprise System Architecture include:

- establishment of a modern backbone communications network capable of transmitting and sharing data simultaneously within and among organizational units via local, metropolitan, and wide area networks;
- deployment of a mix of desktop and notebook personal computers and commensurate training for ATF's entire user community;
- standardization of a software suite consisting of operating systems, telecommunications, database management systems, and applications development tools; and
- upgrade of the mainframe computer environment to add significant functionality.

Laboratory Services

ATF laboratories specialize in examining bombing, arson, and firearms evidence. Control measures are maintained to ensure the quality and integrity of laboratory operations and products. These include:

- Accreditation: ATF's three forensic science laboratories are fully accredited by the American Society of Crime Laboratory Directors, internationally recognized;
- Proficiency Testing: ATF maintains an independent test sample service to ensure individual examiner proficiency;
- Internal Review: All examiner findings are reviewed by a second examiner and a supervisor to ensure accuracy, completeness, and that scientifically valid conclusions have been drawn;

"In FY 1996, ATF developed the Enterprise Systems Architecture, a multi-year initiative to upgrade its information architecture to provide a modern electronic data processing platform and enhanced technology base for all future development."

- Safeguards: ATF employs stringent evidence packaging protocols to detect and guard against contamination among forensic samples and cases; and
- Management: All ATF forensic management personnel are subject matter experts within their specific discipline.

Audit Services

The Bureau's Audit Services Division provides another important investigative tool for solving arson-for-profit crimes. During FY 1996, auditors provided support in 290 criminal investigations and were heavily involved with investigations of the rash of church fire arsons. Auditors determine the financial condition of the business and the suspect, develop investigative leads and criminal charges through examinations of financial records, participate in conducting interviews, assist the case special agent in determining if an insurance claim is fraudulent, and ultimately, provide expert witness testimony at trial.

INSPECTION SUPPORT

The Bureau maintains an Office of Inspection with primary responsibilities to plan, direct, and coordinate inspection and internal affairs activities. It appraises the effectiveness of operations, assesses the quality of management and supervision, and determines adherence to organizational policies, regulations, and procedures. The Office of Inspection is also responsible for conducting employee integrity investigations, either criminal or administrative, as well as other sensitive investigations assigned by the ATF Director.

SPECIAL OPERATIONS SUPPORT

A special operations enforcement support unit is assigned several unique responsibilities that support specific Bureau mission objectives:

- technical intelligence;
- polygraph examinations;
- airborne operations;
- undercover investigations;
- coordination of mission support to the U.S. Secret Service and Department of State;
- coordination of gang enforcement projects and programs;
- management of the witness protection program; and
- management of seized and forfeited property.

“The Bureau maintains an Office of Inspection with primary responsibilities to plan, direct, and coordinate inspection and internal affairs activities.”

MANAGEMENT ACTIVITIES

Management support functions are grouped into five primary areas: management analysis, financial management, personnel management, administrative programs, and procurement. The Office of Assistant Director (Management)/Chief Financial Officer provides leadership, coordination, and direction and works in partnership with other senior Bureau officials in these and other areas.

Recent management accomplishments include:

- the collocation of 64 of 80 criminal and regulatory field offices, reducing overall space needs, increasing

“The Bureau remains the foremost training provider for arson investigations to the insurance industry, state and local law enforcement, and Federal prosecutors.”

the sharing of resources, and reducing rental costs;

- receipt of the Department of the Treasury Small Business Management Award;
- continued aggressive efforts to obtain and maintain an unqualified opinion on financial statements and to successfully address the Office of Inspector General FY 1995 reported internal control weaknesses;
- revision of the Bureau budget activity structure that resulted in a stronger and clearer linkage to the Bureau’s strategic and budget planning;
- assistance with the development of Bureau-wide performance measures in accordance with requirements contained in the Chief Financial Officers Act of 1990 and Government Performance and Results Act of 1993;
- signing of an agreement with the Department of Defense to implement the automated Injury and Unemployment Compensation Tracking System, which will yield new efficiencies and cost savings for the Bureau;
- continued aggressive efforts to select commercial off-the-shelf central personnel management systems to better serve employees and meet external stakeholder requirements;
- progress with the ATF headquarters building relocation plan; and
- significant improvements to ATF physical security procedures of space in the wake of recent national criminal acts against Government facilities.

INTO THE FUTURE

ATF's vision in approaching the twenty-first century is "Working for a Sound and Safer America Through Innovations and Partnerships."

To support this long-term effort, the Bureau will work to provide the highest levels of expertise, leadership, and knowledge in its mission areas. The Bureau will continue to support and develop its partnerships with regulated industry members, other Federal agencies, the international community, and state and local governments. ATF's goal is to concentrate on its unique Federal enforcement capabilities to best serve its customers and not duplicate the work of others. By accomplishing this goal, ATF will become more effective, more efficient, and more sensitive to community and customer needs.

ATF has identified certain key priorities for meeting the goals in the vision and mission statements: developing a state-of-the-art technology infrastructure and effectively managing and sharing unique ATF intelligence and information assets. The Bureau will assist in minimizing regulatory burden while promoting voluntary compliance with the laws and regulations.

ATF's goals also include the fair and accurate collection of excise and special occupational taxes, and licensing and permit fees. To this end—simultaneously with the consolidation and streamlining of operations—the Bureau is overhauling its technical services and tax processing functions to meet the demands of the twenty-first century. ATF will, to the maximum extent feasible, implement a paperless tax and permit monitoring environment. Upgraded computer capability will enhance analysis so that the paperwork burden on industry and ATF is reduced. Partnership opportunities with state counterparts will be enhanced as

statistical and technical regulatory data increasingly become available on-line.

ATF will continue its strong focus on industry and law enforcement training through seminars for industry members in firearms, arson and explosives, alcohol, and tobacco. Seminars for Federal, state and local law enforcement, and international agencies will focus on post-blast explosives and complex firearms trafficking investigations. The Bureau remains the foremost training provider for arson investigations to the insurance industry, state and local law enforcement, and Federal prosecutors. As ATF is given new legislative authorities, it will work in partnership with others. In the short term, the Bureau will work to develop national canine certification standards, a national repository for explosives, and a study of taggants for marking explosives.

ATF will continue to define and develop the most effective organizational structure for meeting its mission. Currently, several proposals are under review to combine the Criminal and Regulatory Enforcement field and headquarters activities. The goals of these efforts are to streamline functions and better serve ATF's customers and stakeholders.